

Federal Partnerships with Rural America "Making a Difference for You"

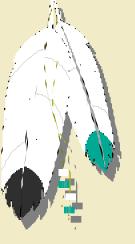
A Presentation by:

CHRISTOPHER A. McLEAN Administrator Rural Utilities Service



The Rural Utilities Service is...

- A Federal credit agency in USDA that provides leadership in lending and technical assistance for rural utilities industries.
- An investor of billions of dollars in rural infrastructure development.
- Creating thousands of jobs for the American economy while improving the quality of life in rural America.



The Rural Utilities Service...

Administers three infrastructure programs:

- Loans for Electricity
- Loans and Grants for Water and Waste Disposal Systems
- Loans and Grants for Telecommunications



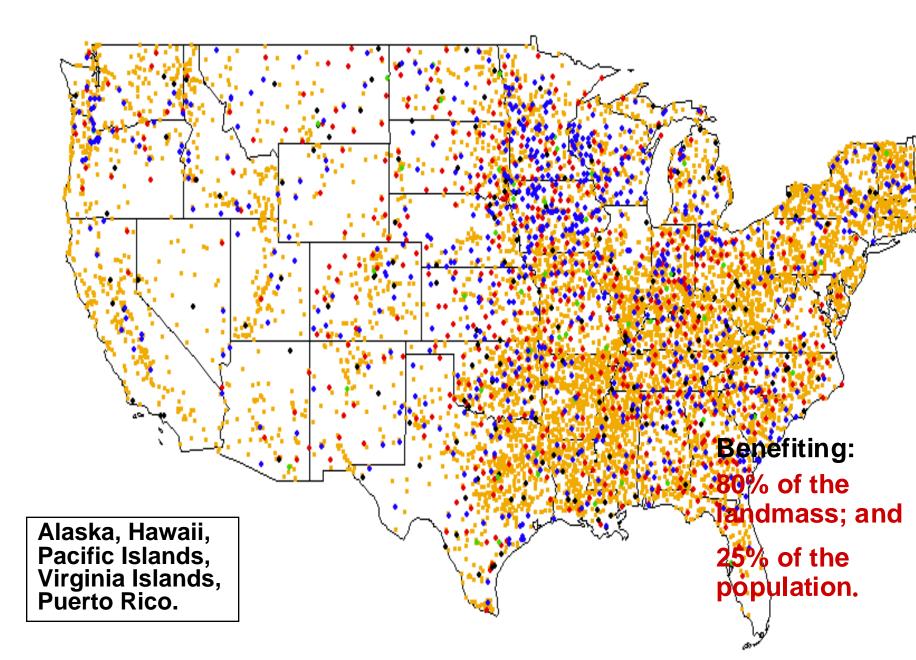
The Rural Utilities Service has...

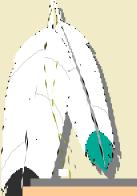
65 Years of Rural Electrification Program Experience

60 Years of Rural Water and Environmental Program Experience

50 Years of Rural Telecommunications Program Experience

Rural Utilities Service Borrowers & Grantees





The RUS Portfolio...

Electric

- •\$33 billion outstanding debt
- •758 borrowers
- •\$26.3 billion in direct loans
- •\$30.1 billion in guar.loans

Water

- •\$ 6.3 billion outstanding debt
- •7,508 borrowers
- •\$17.5 billion in direct loans
- •\$ 7.8 billion in grants
- •\$50.0 million in guar. loans

Telecommunications

- •\$4.7 billion outstanding debt
- •Over 800 borrowers
- •\$13 billion financing approved
- •\$83 million in Dis.Learn. & Telemedicine
- •306 education and health care projects



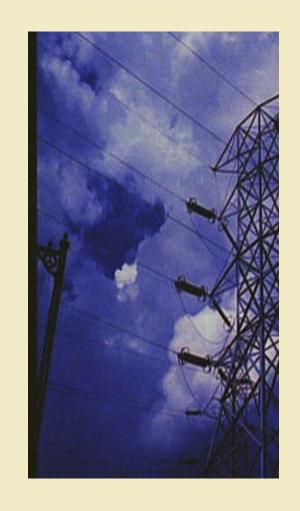
Dedicated to Serving Tribal Communities...

- **Telecommunications Program:**
 - Over \$171 million in loans to seven tribally owned telecommunications utilities.
 - Nearly \$6 million in grant for distance learning and telemedicine projects
- Electric:
 - Nearly \$75 million in loans to four tribally owned electric utilities.
- Water and Environmental:
 - Over \$73 million in grants and loans to tribally owned water systems (since 1995).



The RUS Electric Program...

- Direct and Guaranteed Loans to: Upgrade, expand, maintain, and replace electric infrastructure.
- Eligible Applicants:
 Corporations, municipalities, utility districts, Indian tribes, and cooperatives.



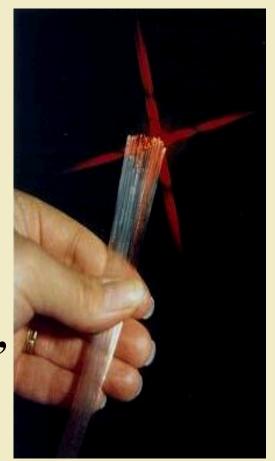




The Telecommunications Program...

Infrastructure Program:

- Direct and Guaranteed Loans for: Construction, improvements, expansions, and acquisitions of telecommunications infrastructure.
- Eligible Applicants: Incorporated commercial companies, Indian tribes, nonprofits and cooperatives.

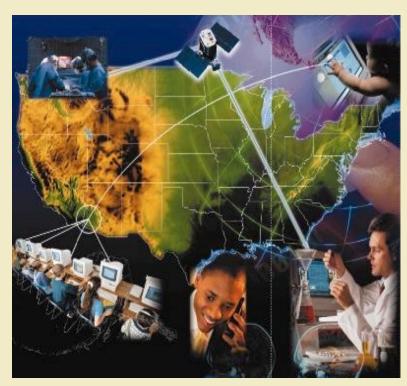




The Telecommunications Program...

Distance Learning and Telemedicine Program:

- Loans and Grants for:
 Educational & health care
 initiatives utilizing advanced
 telecommunications
 technologies.
- Eligible Applicants: Schools, libraries, health care providers, colleges, etc.





Water and Environmental Programs...

Infrastructure Program:

- Direct & Guaranteed Loans/Grants to: Develop water and waste disposal (including solid waste disposal and storm drainage) facilities.
- Eligible Applicants:
 Public entities (municipalities, counties, special purpose districts),
 Indian tribes, and nonprofit corporations.





Water and Environmental Programs...

Technical Assistance and Training Grants:

- Grants to:
 Provide technical assistance and training to associations on a wide variety of issues relating to the delivery of water and waste disposal service.
- Eligible Applicants: Private, nonprofit organizations that have been granted tax-exempt status from the Internal Revenue Service.



Water and Environmental Programs...

Solid Waste Management Grants:

• Grants to:
Provide technical assistance
and training to associations to
reduce or eliminate pollution of
water resources and improving
planning and management of
solid waste facilities.



• Eligible Applicants: Public and nonprofit organizations.



Serving Tribal Communities...

RUS-financed Tribal-Owned Telecommunications Providers:

- Cheyenne River Sioux Tribe Telephone Auth.- Eagle Butte, SD
- Tohono O'odham Utility Authority Sells, AZ
- Gila River Telecommunications, Inc. Chandler, AZ
- San Carlos Apache Telecomm. Utility, Inc. San Carlos, AZ
- Fort Mojave Telecommunications, Inc. Fort Mojave, AZ
- Mescalero Apache Telecom, Inc. Mescalero, NM
- Sandwich Isles Communications, Inc. Honolulu, HI

In addition, 60 RUS borrowers provide service to over 27,000 native Americans in their territories.



Beyond RUS...

RUS is just one of three 'sister' agencies in the USDA Rural Development family:

Rural Business-Cooperative Service (RBS)

"Cooperatives play a key role in the rural economy. They enable farmers to compete more successfully in today's markets. Cooperatives can open doors of opportunity and help preserve the family in the 21st century."

- Dan Glickman, Secretary of Agriculture

Rural Housing Service (RHS)

"Owning a home is the fulfillment of the American Dream. It helps build equity for the future, and it provides the foundation for stable and prosperous communities." - Dan Glickman, Secretary of Agriculture



Rural Business-Cooperative Service...

Goal: Promote a dynamic business environment in rural America!

RBS works in partnership with private sector and community-based organizations to provide financial assistance and business planning.

RBS' Cooperative Service:
Provides technical assistance to rural businesses,
Conducts research into rural issues, and
Provides cooperative educational materials to the public.



Rural Business-Cooperative Service...

Business Programs include:

- Business & Industry Guaranteed Loans
- Intermediary Re-lending Program Loans
- Rural Business Enterprise Grants
- Rural Economic Development Loans and Grants
- Rural Cooperative Development Grants

Eligible Applicants:

Individuals; corporations; partnerships; cooperatives; public bodies; nonprofit corporations; Indian tribes; private companies.



Rural Housing Service...

Goal: Decent, affordable housing for rural America and adequate community facilities that enable rural communities to thrive!

RHS loan programs include:

- Home Ownership Loans that help low income rural homeowners purchase, construct, or relocate.
- Home Improvement & Repair Loans and Grants - to remove health and safety hazards and improve access for people with disabilities



Rural Housing Service...

RHS loan programs include:

- Self-Help Housing Loans that enable groups of six to ten low-income families to build their own homes by providing materials and skilled labor.
- Rural Rental Housing Loans that finance construction of rental housing for low- and moderate-income individuals and families, as well as cooperative housing for elderly and disabled.



Rural Housing Service...

RHS loan programs include:

- Rental Assistance that enables low-income tenants to pay no more than 30 percent of their income for rent.
- Community Facilities Direct Loans, Loan
 Guarantees, and Grants that help construct,
 enlarge, extend, or otherwise improve community
 facilities providing essential services in rural areas
 and towns.

Beyond USDA...

The E-Rate:

Discounts for telecommunications services make it affordable for rural communities to share the benefits of the information age.

How it works...

- Services offered to educational and rural health care providers are provided at a discount to make them affordable.
- Reimbursements are made to the providers for the discount!



Beyond USDA...

National Telecommunications and Information Administration:

Technology Opportunity Program (TOP)

- Promotes the widespread availability and use of advanced telecommunications technologies in the public and non-profit sectors.
- Demonstrates how networks support lifelong learning, help public safety, assist in health care delivery, and foster economic development in rural and urban communities.



Beyond USDA...

Department of Health and Human Services:

Low-Income Home Energy Assistance Program

- States, territories, Indian tribes, and tribal organizations are eligible for a block grant to assist low income households in meeting home energy costs.
- Funds are distributed based upon a state's weather and low income population.
- State and federally recognized tribes may apply for direct funding. In FY 98, 128 tribes and tribal organizations received grants.

